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GRANT NUMBER H555-ZR

# Financing Agreement

(Agriculture Rehabilitation and Recovery Support Project)

between

DEMOCRATIC REPUBLIC OF CONGO

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 20, 2010

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**GRANT NUMBER H555-ZR**

**FINANCING AGREEMENT**

AGREEMENT dated May 20, 2010, entered into between DEMOCRATIC REPUBLIC OF CONGO (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). The Recipient and the Association hereby agree as follows:

**ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

**ARTICLE II — FINANCING**

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equivalent to seventy-seven million and three hundred thousand Special Drawing Rights (SDR 77,300,000) (“Grant” or “Financing”) to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Payment Dates are April 15 and October 15 in each year.
- 2.05. The Payment Currency is the Dollar.

### **ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Agriculture (MOA) in accordance with the provisions of Article IV of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

### **ARTICLE IV — EFFECTIVENESS; TERMINATION**

- 4.01. The Additional Conditions of Effectiveness consist of the following:
  - (a) The Recipient has engaged the services of the Delegated Management Contractor for the Project in accordance with the provisions of Section I.B of Schedule 2 to this Agreement.
  - (b) The Recipient has adopted a Project Implementation Manual (PIM), including the Project Financial Audit and Management Manual (PFAMM) and the Anti-Corruption Plan, in a form and substance satisfactory to the Association.
  - (c) The Recipient has established the National Project Coordination Unit (NPCU) under terms of reference satisfactory to the Association, and has appointed the following staff of the NPCU under terms of reference and with qualifications and experience satisfactory to the Association: a national Project coordinator, a financial management specialist, and a procurement specialist; and
  - (d) The Recipient has established the three Decentralized Project Coordination Units (DPCUs) under terms of reference satisfactory to the Association, and has appointed the following staff under terms of reference and with qualifications and experience satisfactory to the Association: (i) in each DPCU, a Project coordinator for the decentralized unit, an accountant, a procurement specialist, an agronomist, a livestock specialist, a rural engineer and a specialist in farmers' organizations, and (ii) for the three decentralized units, an environmental and social safeguards specialist.

- 4.02. The Effectiveness Deadline is the date ninety days (90) days after the date of this Agreement.
  
- 4.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

**ARTICLE V — REPRESENTATIVE; ADDRESSES**

5.01. Except as provided in Section 2.02 of this Agreement, the Recipient's Representative is the Recipient's minister responsible for finance.

5.02. The Recipient's Address is:

Minister of Finance  
Ministry of Finance  
*Boulevard du 30 juin*  
BP 12997  
Kinshasa I - Gombe  
Democratic Republic of Congo

Facsimile:

243-880-23-81

5.03. The Association's Address is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423 (MCI)

1-202-477-6391

AGREED at Kinshasa, Democratic Republic of Congo, as of the day and year first above written.

**DEMOCRATIC REPUBLIC OF CONGO**

**By /s/ Matata Ponyo Mapon**

**Authorized Representative**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By /s/ Marie Françoise Marie-Nelly**

**Authorized Representative**

## SCHEDULE 1

### Project Description

The objective of the Project is to increase agricultural productivity and improve marketing of crops and animal products by smallholder farmers in targeted areas of the Recipient's territory.

The Project consists of the following parts:

#### **Part A: Improve agricultural and animal production**

1. Improve agricultural production in targeted areas in the Recipient's province of Equateur through:
  - (a) the provision of (i) pre-foundation seeds to INERA, and (ii) foundation seeds to trained specialized farmers (*Agri-multiplicateurs*) on a cost-sharing basis, all under terms and conditions satisfactory to the Association, with a view to promoting the production and commercialization of improved commercial seeds certified by SENASEM;
  - (b) the provision of basic small-scale processing equipment and storage facilities on a cost-share basis to smallholder farmers engaged in the production of improved crops;
  - (c) the extension of agricultural advisory services; and
  - (d) the refurbishment of the facilities of INERA, Agricultural Inspectorates, and SENASEM and the provision of support to ensure their operational functioning for the purpose of the implementation of the Project.
2. Increase rice production in targeted areas in the Pool Malebo Area through:
  - (a) the rehabilitation of irrigation infrastructure in the Pool Malebo Area;
  - (b) the start of the implementation of an irrigation development strategy under terms satisfactory to the Association, including technical designs and surveys to identify most favorable areas for irrigation; and
  - (c) the provision of support to establish and operationalize water users associations.

3. Improve animal production capacity for small ruminants and poultry in targeted areas in the Recipient's province of Equateur through:
  - (a) the provision of improved animal livestock for small ruminants and distribution of offspring on a rotational basis among selected farmer groups;
  - (b) the establishment and operationalization of a network of animal health community advisors at the local level;
  - (c) the rehabilitation and provision of equipment for a small veterinary laboratory to improve the capacity of the Veterinary Services to carry out basic animal health diagnostics; and
  - (d) the provision of training and equipment for the decentralized veterinary services of the MOA.
4. Promote activities to develop the capacity of farmers' organizations to effectively carry out marketing functions for agricultural inputs and outputs, as well as to build linkages with the private agri-business sector in the Project Area.

**Part B: Improve market related infrastructure**

1. Rehabilitate and provide maintenance for selected feeder roads in the Recipient's province of Equateur and the access road to the Pool Malebo Area.
2. Rehabilitate and construct the facilities of local agricultural markets, including the market of Mongalo, in the Recipient's province of Equateur.

**Part C: Strengthening of Capacity building and Project Management**

1. Strengthen capacity building of the MOA and the MRD at the central and local level.
2. Provide support to carry out Project management activities, including monitoring and evaluation of the Project.



## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements**

1. The Recipient shall maintain, throughout the implementation of the Project, a Project Steering Committee (PSC), including high-level representatives of the MOA and MRD, with terms of reference, composition and resources satisfactory to the Association, which shall be responsible for providing overall strategic guidance for the Project and validation of the annual work programs and budgets of the Project at the national level.
2. The Recipient shall maintain throughout the implementation of the Project, a Provincial Coordination and Monitoring Committee (PCMC), with terms of reference, composition and resources satisfactory to the Association, which shall be responsible for providing overall monitoring and coordination activities for the Project at the provincial level.
3. The MOA shall be responsible for the: (a) overall coordination and facilitation of the implementation of the Project; (b) review of the draft annual work programs and budgets of the Project; (c) examination of the progress reports for the Project submitted by the NPCU and each DPCU; (d) resolution of any conflicts that may arise between the different structures involved in the implementation of the Project; (e) submission to the Recipient of consolidated Project implementation progress reports; and (f) follow-up on the orientations and recommendations of the Project Steering Committee.
4. The Recipient shall maintain the NPCU (cited in Section 4.01 (c) of this Agreement) throughout the implementation of the Project, with terms of reference, composition and resources satisfactory to the Association, which shall be responsible for the: (a) day-to-day financial management of the overall Project, including audits and management of the Designated Accounts; (b) oversight of all technical, social, and environmental matters related to Project implementation at the centralized level; (c) monitoring and evaluation of Project activities at the centralized level; (d) implementation, on behalf of the Recipient, of the Delegated Management Contract; (e) carrying out of the procurement of goods, works and services of the Project at the centralized level; (f) managing any Training activity carried out at the centralized level; and (g) providing technical assistance to the DPCUs for Project-related procurement, financial management and disbursements activities.

5. The Recipient shall maintain each of the three DPCUs (cited in Section 4.01 (d) of this Agreement) throughout implementation of the Project, with terms of reference, composition and resources satisfactory to the Association, each of which shall be responsible in its geographic area of responsibility for the:  
(a) day-to-day financial management of the Project at the local level;  
(b) oversight of all technical, social, and environmental matters relating to Project implementation; (c) monitoring and evaluation of Project activities;  
(d) carrying out of the procurement of goods, works and services of the Project; and (e) managing any training activity carried out at the local level.

**B. Delegated Management Contract**

1. To facilitate the carrying out of Parts A.2 (a) and B of the Project, the Recipient shall engage the services of a Delegated Management Contractor in accordance with the provisions of Section III of this Schedule under a delegated management contract pursuant to which the Recipient shall delegate to the Delegated Management Contractor certain Project implementation responsibilities, including procurement on behalf of the Recipient of the goods, works and services required for Parts A.2 (a) and B of the Project and financial management of Parts A.2 (a) and B of the Project, in accordance with Sections I.C, I.D, I.E and I.H, Section II, Section III and Section IV of this Annex (the Delegated Management Contract).
2. The Recipient shall exercise its rights and carry out its obligations under the Delegated Management Contract in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive the Delegated Management Contract or any of its provisions.

**C. Project Annual Work Plans**

1. The Recipient shall prepare, under terms of reference acceptable to the Association, and furnish to the Association not later than October 31 each year throughout the implementation of the Project, a plan of activities proposed for inclusion in the Project for the following calendar year, together with a budget for such activities and a timetable for their implementation (the Annual Work Plan).

2. The Recipient shall exchange views with the Association on such proposed plan not later than December 15 each year throughout the implementation of the Project, and shall thereafter adopt, and carry out such plan for such following calendar year as shall have been approved by the Association and except as the Association shall otherwise agree, the Recipient shall not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision thereof, without the prior written agreement of the Association.
3. Only each such Annual Work Plan of activities as shall have been approved by the Association shall be eligible for inclusion in the Project and financing out of the proceeds of the Financing.

**D. Anti-Corruption**

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the Anti-Corruption Plan.

**E. Manuals**

1. Except as the Association shall otherwise agree, the Recipient shall carry out the Project in accordance with the Project Implementation Manual (PIM), including the Project Financial Audit and Management Manual (PFAMM), and except as the Association shall otherwise agree, not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the aforementioned, or any provision of either one thereof, without the prior written agreement of the Association.
2. In the event of any conflict between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail.

**F. Implementing Partner Approval Procedures and Eligibility Criteria**

1. For the purposes of the implementation of Part A of the Project (other than Part A.1 (a) (i) and Part A.1 (d) of the Project), the NPCU shall select candidate Implementing Partners in accordance with the eligibility criteria set forth in the PIM, including: (i) that the candidate Implementing Partner has the legal capacity to contract under the laws of the Recipient; (ii) that the candidate Implementing Partner has proven experience in comparable activities in the territory of the Recipient; and (iii) that the candidate Implementing Partner has a plan for the distribution of the seeds and livestock breeders.

2. Once selected by the NPCU, each selected Implementing Partner shall submit work plans to the NPCU for appraisal and approval, according to the procedures and criteria laid out in the PIM (the IP Work Plans) including, *inter alia*: (i) that the activities proposed under the IP Work Plan are eligible for financing, and (ii) that the IP Work Plan implementation period must not exceed the implementation period of the Project.
3. (a) Following receipt of an approved IP Work Plan, and prior to any financing of activities under said plan (always on a non-reimbursable grant basis), the NPCU shall enter into a Performance-based Partnership Contract (the PPC) with the selected Implementing Partner under terms and conditions satisfactory to the Association and defined in the PIM; which shall include, *inter alia*, the following:
  - (i) (A) a description of the functions to be undertaken by such Implementing Partner; and (B) dated objectives to be attained and performance indicators;
  - (ii) the obligation of the Implementing Partner to (A) carry out the activities in accordance with the PIM, Environmental and Social Management Framework (ESMF), Pesticides Management Plan (PMP), Resettlement Policy Framework (RPF), Indigenous People Plan Framework (IPPF) and the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient, with due diligence and efficiency and in accordance with sound technical, financial, accounting, administrative, environmental, public health and managerial standards, under the supervision of qualified and experienced staff in adequate numbers; and (B) to maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the IP Work Plan;
  - (iii) the right of the Recipient to inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites or plants included in the IP Work Plan, the operations thereof and any relevant records and documents;
  - (iv) the right of the Recipient to obtain all information as the Association shall reasonably request regarding the administration, operation, financial management and accounting of the activities under the IP Work Plan;

- (v) the obligation of the Implementing Partners to promptly inform the Recipient and the Association of any condition which interferes or threatens to interfere with the progress of the IP Work Plan;
- (vi) the right to receive from the Implementing Partner quarterly (or any other period agreed upon by the Association) financial and operational progress reports reflecting, *inter alia*, the PPC's performance indicators, and a final report upon completion of the IP Work Plan;
- (vii) the obligation of the Implementing Partners, when making Sub-grants to Beneficiaries to the extent allowed in the relevant IP Work Plan, to do so in compliance with the provisions of Section I.G of this Schedule.

(b) The Recipient shall exercise its rights and carry out its obligations under a PPC in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive a PPC or any of its provisions.

#### **G. Sub-projects**

1. For the purposes of Parts A.1 (a) (ii), A.1 (b) and A.3 (a) of the Project, the Recipient shall make goods and services available on a Sub-grant basis to Beneficiaries, through the Implementing Partners, on the following terms and conditions:
  - (a) to be eligible for a Sub-grant, the proposed Beneficiary shall be required to demonstrate that he/she meets the eligibility criteria and such additional criteria as are set forth in the PIM, including the legal, organizational, managerial, environmental and financial capacity to carry out the Sub-project;
  - (b) the Recipient shall make available, through the Implementing Partners, each Sub-grant under an agreement between the Implementing Partners and the Beneficiary on terms and conditions satisfactory to the Association (the "Sub-project Agreement"), which shall include the following:
    - (i) the eligible expenditures related to a Sub-project that may be financed out of the proceeds of the associated Sub-grant;
    - (ii) the Sub-grant shall be made on a non-reimbursable grant basis;

- (iii) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (A) require each Beneficiary to:
  - (A) require each Beneficiary to:
    - (1) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, accounting and environmental and social standards and practices satisfactory to the Association, the provisions of the Anti-Corruption Guidelines applicable to recipients of loan proceeds other than the Recipient and with the provisions of any assessment and plan that may be required pursuant to, the ESMF, PMP, RPF and IPPF and maintain adequate records thereof;
    - (2) provide, promptly as needed, the resources required for the Sub-project as the case may be;
    - (3) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents;
    - (4) prepare and furnish to the Recipient and the Association all such information, as the Recipient or the Association shall reasonably request relating to the foregoing; and
    - (5) promptly inform the Recipient and the Association through the Implementing Partners of any condition which interferes or threatens to interfere with the progress of the Sub-project, or the performance by the Beneficiary of its obligations under the Sub-project Agreement; and
  - (B) suspend or terminate the right of the Beneficiary to use the proceeds of the Sub-grant upon the failure by such Sub-project Beneficiary to perform any of its obligations under the Sub-project Agreement.

2. The Recipient shall exercise its rights and carry out its obligations, through the Implementing Partners, under each Sub-project Agreement in such a manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Grant, and, except as the Association shall otherwise agree in writing, the Recipient shall not (and shall not permit any Implementing Partner to) amend, abrogate or waive any of the Sub-project Agreements, or any provision thereof.

#### **H. Safeguards**

1. The Recipient shall carry out Parts A and B of the Project (including any Sub-Project and any activity carried out under an IP Work Plan and the Annual Work Plan), and/or cause Parts A and B of the Project to be carried out, in accordance with the ESMF, PMP, RPF, and the IPPF.
2. The Recipient shall ensure that: (a) all measures necessary for the carrying out of the ESMF, PMP, RPF and the IPPF are taken in a timely manner; (b) adequate resources are made available for the proper implementation of the ESMF, PMP, RPF and IPPF; and (c) the Project Reports referred to in Section II of this Schedule will include adequate information on monitoring the measures defined in the ESMF, PMP, RPF and IPPF.
3. The Recipient shall not suspend, amend, abrogate, waive or otherwise modify, whether in whole or in part, any of provision of the ESMF, PMP, RPF or IPPF without the prior written agreement of the Association.
4. In the event of any conflict between the provisions of the ESMF, PMP, RPF and IPPF and those of this Agreement, the provisions of this Agreement shall prevail.

### **Section II. Project Monitoring, Reporting and Evaluation**

#### **A. Project Reports**

1. (a) The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty five days after the end of the period covered by such report.
- (b) The performance indicators referred to above in sub-paragraph (a) consist of the following:
  - (i) increased average seasonal yield per area of specific crops (maize, cassava and rice) by targeted farmers in the Project Area;

- (ii) increased number of poultry produced annually by targeted farmers; and
  - (iii) increased annual sales of specific crops (maize, cassava, and rice) and livestock products in targeted markets.
- 2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than six (6) months after the Closing Date.

**B. Financial Management, Financial Reports and Audits**

- 1. The Recipient shall establish not later than three (3) months after the Effectiveness Deadline, and thereafter maintain or cause to be maintained a financial management system (including related staff, software and internal auditor) in accordance with the provisions of Section 4.09 of the General Conditions.
- 2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.
- 3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.
- 4. The Recipient shall appoint not later than three (3) months after the Effectiveness Deadline, an external auditing firm acceptable to the Association and in accordance with Section III.C of Schedule 2 to this Agreement.

**Section III. Procurement**

**A. General**

- 1. **Goods and Works.** All goods and works required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.



2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used:

<b>Procurement Method</b>
<i>(a) National Competitive Bidding</i>
<i>(b) Limited International Bidding</i>
<i>(c) Direct Contracting</i>
<i>(d) Shopping</i>

**C. Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.
2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<b>Procurement Method</b>
<i>(a) Consultant Qualifications</i>
<i>(b) Single Source Selection</i>
<i>(c) Individual Consultant</i>

**D. Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

**Section IV. Withdrawal of the Proceeds of the Financing**

**A. General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<b>Category</b>	<b>Amount of the Grant Allocated (expressed in SDR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works consultants' services, Training and Operating Costs for the Project (other than goods and services provided as Sub-grants under Part A.1 (a) (ii), Part A.1 (b), or Part A.3 (a) of the Project)	56,700,000	100%
(2) Goods and services provided as Sub-grants under Part A.1 (a) (ii), Part A.1(b) or Part A.3(a) of the Project	19,300,000	100%
(3) Refund of Preparation Advance	1,300,000	Amount payable pursuant to Section 2.07 of the General Conditions
<b>TOTAL AMOUNT</b>	<b>77,300,000</b>	

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments made prior to the date of this Agreement.
2. The Closing Date is December 15, 2015.

## APPENDIX

### Section I. Definitions

1. “Agricultural Inspectorates” means the Recipient’s provincial inspections of agriculture, fishing and livestock established under the MOA (as defined hereinafter) pursuant to its Decree No. 3/27 dated September 16, 2003.
2. “Annual Work Plan” means each work plan approved by the Association under Section I.C of Schedule 2 to this Agreement for inclusion in the Project.
3. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006.
4. “Anti-Corruption Plan” means the Recipient’s anti-corruption action plan to be adopted by the Recipient, pursuant to Section 4.01 (b) of this Agreement which sets forth the measures and actions to be taken during implementation of the Project with respect to disclosure, civil society oversight, collusion mitigation, mitigation of forgery and fraud, complaints handling and sanctions and remedies.
5. “Beneficiary” means a legal or natural person legally established in the Recipient’s territory which will benefit from in kind assistance for the purposes of carrying out a Sub-project (as defined hereinafter).
6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
7. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004 and revised in October 2006.
8. “Decentralized Project Coordination Unit” or “DPCU” means a unit within the MOA (as defined hereinafter) in charge of overseeing the day-to-day implementation of the Project in its respective geographical area of responsibility.
9. “Delegated Management Contract” means the contract between the Recipient and a Delegated Management Contractor (as defined hereinafter) under terms and conditions satisfactory to the Association to carry out Part B of the Project.
10. “Delegated Management Contractor” means the public or private entity, legally established in the Recipient’s territory, operating pursuant to the laws of the Recipient and selected pursuant to the provisions of Section I.B of Schedule 2 of this Agreement to carry out Part B of the Project pursuant to a Delegated Management Contract.

11. “Designated Account” means the account referred to be opened and maintained by the Recipient in accordance with the provisions of Article II of the General Conditions, Section IV.A.1 of Schedule 2 of this Agreement, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association).
12. “Environmental and Social Management Framework” or “ESMF” means the Recipient’s framework, dated May 2009, setting out the rules, guidelines and procedures to assess environmental and social impacts of the Project’s activities, and measures to reduce, mitigate or offset adverse environmental impacts and enhance positive impacts of said activities including public consultation, institutional arrangements for the implementation, monitoring and supervision of said measures, as the same may be amended from time to time with the prior written approval of the Association.
13. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006, with the modifications set forth in Section II of this Appendix).
14. “Implementing Partners” means non-governmental agencies, non-profit organizations, professional associations, or other public or private entities operating pursuant to the laws of the Recipient selected to implement an IP Work Plan (as hereinafter defined) pursuant to a PPC (as hereinafter defined).
15. “*Institut National d’Etude et de Recherche Agronomiques*” or “INERA” (National Institute of Study and Research) means the Recipient’s entity established under the MOA (as defined hereinafter) pursuant to the Recipient’s Decree No. 09/43 dated December 2009.
16. “Implementing Partner Work Plan “ or “IP Work Plan” means a plan setting forth activities to be carried out by an Implementing Partner pursuant to a PPC (as defined hereinafter).
17. “Indigenous Peoples Plan Framework” or “IPPF” means the Recipient’s document dated May 2009, defining specific measures to be implemented for the Bambenga people in order to protect them and to ensure that members of said minorities be granted equal legal, financial and organizational opportunities under the Project.
18. “Ministry of Agriculture” or “MOA” means the Recipient’s ministry in charge of agriculture or any successor thereof satisfactory to the Association.

19. “Ministry of Rural Development” or “MRD” means the Recipient’s ministry in charge of rural development or any successor thereof satisfactory to the Association.
20. “Ministry of Research and Science” or “MRS” means the Recipient’s ministry in charge of science and research or any successor thereof satisfactory to the Association.
21. “National Project Coordination Unit” or “NPCU” means the unit within the MOA in charge of overseeing the day-to-day implementation of the Project.
22. “Operating Costs” means the incremental expenses, based on annual budgets approved by the Association, incurred by the Recipient on account of Project implementation, management, and monitoring, including for office space rental, utilities, and supplies, bank charges, communications, vehicle operation, maintenance, and insurance, building and equipment maintenance, advertising expenses, travel and supervision, salaries and statutory contributions of contractual and temporary staff, but excluding salaries, fees, honoraria, and bonuses of members of the Recipient’s civil service.
23. “Pesticide Management Plan” or “PMP” means the Recipient’s plan dated May 2009, providing procedures and guidelines for the preparation, adoption, implementation, supervision and monitoring of a pesticides management plan and referred to in Section I.H of Schedule 2 to this Agreement, as said plan may be amended from time to time with the prior written approval of the Association.
24. “Performance-based Partnership Contract” or “PPC” means the agreement to be entered into between the NPCU and each Implementing Partner for the implementation of an IP Work Plan under Part A of the Project (other than Part A.1 (a) (i) and Part A.1 (d) of the Project) in accordance with Section I.F of Schedule 2 to this Agreement.
25. “Pool Malebo Area” means the area of the wetland basin in the Pool Malebo within the Recipient’s Province of Kinshasa.
26. “Preparation Advance” means the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on September 8, 2008 and on behalf of the Recipient on September 30, 2008.
27. “Procurement Guidelines” means the “Guidelines: Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004 and revised in October, 2006.

28. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated February 26, 2010 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
29. “Project Area” means an administrative area within the Province of Equateur and the Pool Malebo Area in territory of the Recipient.
30. “Project Financial Audit and Management Manual” or “PFAMM” means the manual outlining the financial and accounting arrangements for the implementation of the Project, as the same may be amended by agreement of the Recipient and the Association from time to time, and such term includes any schedules to the PFAMM.
31. “Project Implementation Manual” or “PIM” means the manual outlining, *inter alia*, responsibilities, procurement and contracting procedures for the implementation of the Project (including the PFAMM and the Anti-Corruption Plan), as the same may be amended by agreement of the Recipient and the Association from time to time, and such term includes any schedules to the PIM.
32. “Project Steering Committee” or “PSC” means the Recipient’s inter-ministerial committee established pursuant to the Recipient’s Order No. 00221/CAB/MinAgri/2009 and No. 0161/CAB/MinADER/2009 dated December 30, 2009.
33. “Province” means an administrative area within the territory of the Recipient established pursuant to *Décret-Loi No. 081 du 2 juillet 1998 portant Organisation Territoriale et Administrative de la République Démocratique du Congo tel que modifié et complété par le Décret-Loi No. 018/2001 du 28 septembre 2001*, comprised of several Districts.
34. “Provincial Coordination and Monitoring Committee” or “PCMC” means the Recipient’s provincial committee established pursuant to the Recipient’s Ministerial Order No. 0255/CAB/MinAgri 2010 dated January 26, 2010 and No. 001/CAB.MINADER/2010 dated January 29, 2010.
35. “Resettlement Policy Framework” or “RPF” means the Recipient's policy framework dated May 2009, providing procedures and guidelines for the preparation, adoption, implementation, supervision and monitoring of a resettlement action plan or plans and referred to in Section I.H of Schedule 2 to this Agreement, as said framework may be amended from time to time with the prior written approval of the Association.

36. “*Service National des Semences*” or “SENASEM” (National Service for seeds) means the Recipient’s entity established under the MOA pursuant to the Recipient’s *Arrêté Départemental* No. 003/BCE/AGRIDRAL/84 dated May 13, 1984.
37. “Sub-grant” means a grant to be made out of the proceeds of the Grant in the form of goods and services for a Beneficiary to finance a Sub-Project under Parts A.1 (a) (ii), A.1 (b) and A.3 (a) of the Project.
38. “Sub-project” means an activity financed or to be financed by the proceeds of the Grant for the purpose of Parts A.1 (a) (ii), A.1 (b) and A.3 (a) of the Project.
39. “Sub-project Agreement” means an agreement for the financing of a Sub-project, entered into between an Implementing Partner and a Beneficiary.
40. “Training” means the training and training-related activities included in the Annual Work Plan, including seminars, workshops and study tours, travel and subsistence allowances for training participants, trainers’ fees, rental of training facilities, preparation and reproduction of training materials and other activities incidental to the preparation and implementation of training activities.
41. “Veterinary Services” means the Recipient’s entity established under the MOA pursuant to the Recipient’s Ordinance No. 82-027 dated March 19, 1982.

## **Section II. Modifications to the General Conditions**

The modifications to the General Conditions for Credits and Grants of the Association, dated July 1, 2005 (as amended through October 15, 2006) are as follows:

1. Section 2.07 is modified to read as follows:

### *“Section 2.07. Refinancing Preparation Advance*

If the Financing Agreement provides for the repayment out of the proceeds of the Financing of an advance made by the Association or the Bank (“Preparation Advance”), the Association shall, on behalf of the Recipient, withdraw from the Financing Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance as at the date of such withdrawal from the Financing Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Association shall pay the amount so withdrawn to itself or the Bank, as the case may be, and shall cancel the remaining unwithdrawn amount of the advance.”



2. Paragraph (i) of Section 6.02 is modified to read as follows:

“Section 6.02. *Suspension by the Association*

... (1) *Ineligibility*. The Association or the Bank has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by the Association or the Bank or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Association or the Bank, as a result of a determination by the Association or the Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Association or the Bank.”

3. The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

- (a) The term “Project Preparation Advance” is modified to read “Preparation Advance” and its definition is modified to read as follows:

“‘Preparation Advance’ means the advance referred to in the Financing Agreement and repayable in accordance with Section 2.07.”